

The Nation: U.S. Army Congress Left Out of Loop by Army

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Sometimes, through no fault of its own, Congress really is the last to know. Even in this wondrous age of instantaneous communication about everyone and everything, it appears that federal lawmakers have left themselves out of the loop. In Washingtonspeak, one might say our lawmakers are, well, loopless.



CRAIG CHANDLER/QUAD-CITY TIMES

A worker at Rock Island Arsenal.

Take the case of the recommended sale or privatization of federal facilities at Army arsenals, ammunition plants and repair depots. There really isn't a big argument, yet, as to whether it's a good idea -- whether it's sound policy to have international corporations managing the production, storage, maintenance and deployment of the nation's weapons and ammunition production. Rather, it's a case of those who hold the purse strings having some input prior to implementation of such, well, privatization. Considering that this is why Americans go to the polls every now and then, it's not such a unique concept.

Nevertheless, the problem for Congress lies in the fact that Army Secretary Thomas White, a secretive fellow late of the Enron finance committee, has plans in their final stages to move forward with radical privatization. In fact, Congress only learned about the plans when memos from White came mysteriously to light instructing lesser ranks to complete the proposed plan and make recommendations for implementation.

In a nutshell, the proposed privatization of U.S. Army arsenals, ammunition plants and repair depots is part of the "Third Wave": a monster plan to consider outsourcing to the private sector all jobs that are "non-core" -- a matter of more than 210,000 Army jobs. The Rand Corp. was tasked with investigating these possibilities and released its report early this year advocating privatization of the facilities.

Naturally, when Congress finally did become aware of the plan, sharply worded letters were sent to White demanding an explanation of the proposed

privatization. Sens. Tom Harkin (D-Iowa) and Charles Grassley (R-Iowa), and Reps. Lane Evans (D-Ill.) and Jim Leach (R-Iowa) joined Sen. Dick Durbin (D-Ill.) in requesting a briefing with the Army secretary. In their bipartisan letter they said, "We find it unacceptable for the Army to move to implement the study, sell or privatize federal facilities and aggressively privatize civilian and military jobs without congressional oversight and consultation." The letter further warned, "This matter must not be presented to Congress as a 'done deal' -- arranged when Congress may be out of session."

Furthermore, although White refused to provide a briefing on the final phase of the privatization plan, explaining that the study was not yet "final," he did participate in a conference call with members of Congress and promised that "no decision regarding privatization ... had been made, and before any decisions of this type are made Congress will be fully consulted." This sounds promising, critics say, but does not jibe with White's memo that directed the submission of an action plan to execute the privatization recommendations no later than Nov. 29 -- just days after Congress adjourned for the holiday recess.

Five repair depots, seven arsenals and an unknown number of weapons plants are possible targets. The above lawmakers have a political interest in the issue as 1,300 constituents in the Quad City area of Illinois and Iowa work at the Rock Island Arsenal, and most assuredly will be affected by the outsourcing and privatization. The Rock Island Arsenal is not alone, though. New York's Watervliet Arsenal, the Tooele Army Depot in Utah, the Anniston Army Depot in Alabama and the Letterkenny and Tobyhanna Army depots in Pennsylvania also are among possible targets of privatization.

Grassley is well aware of the impact this effort could have on his state of Iowa, and tells Insight, "The Army has announced its intentions to privatize certain functions, known as 'Wave Three.' However, the details of these plans are still unclear. The Army has said no decision has been made about the arsenals, but it's important for Congress and the public to learn exactly what the Army has in mind for its organic industrial base. I know the Rock Island Arsenal plays a key role in preserving our nation's military readiness, and I intend to learn more about the Army's plans to privatize some functions and, specifically, how those plans would affect the Rock Island Arsenal."

Despite the fact that White's memos appear to reveal a done deal, Army spokeswoman Cynthia Smith assures Insight that "the Army is in a study phase of reviewing potential privatization of Army weapons arsenals and ammunition plants. Everything is subject to revision, and there has been no decision yet to privatize or outsource."

Smith further explains that "Rand's study estimated that the Army could save over \$1 billion by implementing its recommendations. To date, the Army's approach has been to pay \$100 million in annual subsidies to the government-

owned plants and encourage private reuse by modernizing the ammunition plants' aging infrastructure with \$300 million in special appropriations." She reports that "Between Oct. 1, 1996, and Nov. 12, 2002, the Army completed public/private competitions of some 14,000 jobs. The annual recurring savings from these competitions is \$253 million per year."

Ivan Eland, director of defense-policy studies at the libertarian Cato Institute, a Washington think tank, tells Insight that "Secretary White isn't privatizing the arsenals; he's privatizing noncombat jobs. Yes, it's supposed to save money in the long term and, even though the military's budget keeps going up, it doesn't necessarily mean they're not saving money on privatization. The government should be relying on the private sector because the private sector is much larger than the military and the private sector is doing the job commercially on a grand scale."

According to Eland, "It's just common sense and basic economics that you can get it cheaper in the private sector. The question is, can a private company come in and run the arsenals more efficient? It seems that arsenals are rather out-of-date, and most of the defense industry is private manufacturers, so why do we need a government entity to make ammunition?" Eland assuredly is right about the private sector being able to produce on a grand scale, but some on Capitol Hill are pointing to the shellacking taxpayers took on \$600 toilet seats and \$100 wrenches, compliments of some of those private government contractors. Is it possible that the same could happen with weapons and munitions?

Wiley Pearson, defense-policy analyst for the American Federation of Government Employees, naturally sees it another way. "The thing is, it is not just about saving money. You also have to ask what it is you are going to lose. Depots have taken on the responsibility of work that the private sector won't do, and let's remember that the Rock Island Arsenal is the small-arms capital of the nation." According to Pearson, "Back in the early 1990s, when the Army was getting wrapped up in the expensive, sexy systems like the M-1 [tank] and the Crusader [heavy gun] -- the really big-dollar ticket items -- they totally neglected their infantry weapons that are staples of the Army. Rock Island kept the small-arms systems alive because companies like Colt and Baretta were unwilling to go out and do these small contracts."

As Pearson sees it, "The option you give government facilities is flexibility, and it seems to me that Secretary White is giving away his flexibility. You don't shoot slogans at an enemy, you shoot bullets, and you lose the flexibility to produce the products and also make improvements when the facilities are privatized. Plus, if these military and civilian government employees are so inept," Pearson asks, "why is the argument made that the private contractors will pick up most of the employees affected by the privatization? This is supposedly about saving money, but most of us have been around here long enough to remember the peace dividend at the end of the Cold War. It was going to save us money. We drew

down our active-duty forces, but it didn't save money. We closed military bases. We haven't seen dollar one from that money-saving plan. Now they say we're going to privatize arsenals and depots. I mean come on, most people when they've been hoodwinked three times don't trust someone the fourth time."

According to one angry critic, "Asking whether government-run arsenals are important is like asking whether we need a standing army. Why don't we just call up men and women when we need them? Well, it's important to have an Army ready at any moment just as it is important to have ammunition ready at any moment it's needed. Recall, it was Rand Corp. that in the 1970s advocated saving money by doing away with the U.S. Marine Corps."

But whether it's right or wrong to privatize the nation's arsenals and all the rest still is unclear, say even the most febrile libertarians following this issue, because the Army secretary still hasn't gotten around to sharing with lawmakers his secret plan to privatize 210,000 jobs and assorted war-fighting facilities -- information that may be useful in fighting the war on terrorism and, of course, those possible threats in a desert or two in the Middle East.

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